



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission ("FPPC"), under the authority vested in it by Section 83112 of the Government Code, proposes to adopt, amend, or repeal regulations in Title 2, Division 6 of the California Code of Regulations. The Fair Political Practices Commission will consider the proposed regulations at a public hearing on or after February 18, 2016, at 10:00 a.m. Written comments must be received at the Commission offices no later than noon on February 16, 2016.

BACKGROUND/OVERVIEW

The FPPC conducts an annual review of Commission regulations that require amendment due to recently enacted legislation. Several technical "clean-up" amendments are proposed in order to conform the regulations to specific legislation discussed below.¹

REGULATORY ACTION:

AB 990 (Bonilla) Chapter 747, Statutes of 2015

This bill requires that campaign advertisement disclosure statements be printed in no less than 14-point, bold, sans serif type font. The bill requires that an advertisement supporting or opposing a candidate that is paid for by an independent expenditure include a disclosure statement stating: "This advertisement was not authorized or paid for by a candidate for this

¹ The following legislation was passed and signed into law but did not require any immediate amendments to Commission regulations:

- SB 21 (Hill), Chapter 757, Statutes of 2015. This bill requires a nonprofit organization that makes travel payments of \$5,000 or more for one elected state or local officeholder or \$10,000 or more a year for elected state or local elected officeholders, and whose expenses for such travel payments total 1/3 or more of the organization's total expenses in a year as reflected on the organization's Internal Revenue Service Form 990, to disclose to the Commission the names of donors who donated \$1,000 or more and also went on the trips. The bill also requires a person who receives a gift of a travel payment from any source to report the travel destination on his or her Form 700. [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB21].

- SB 704 (Gaines), Chapter 704, Statutes of 2015. This bill establishes an additional situation in which an official is not financially interested in a contract under the remote interests portion of Section 1090. This situation applies to an owner or partner of a firm serving as an appointed member of an unelected board or commission to the agency that will be entering into a contract. If the owner or partner recuses himself or herself from providing any advice regarding a project and from all participation in reviewing a project that results from a contract between the firm and the contracting agency the interest will be considered to be a remote interest. The bill also includes within the definition of "remote interest" the interest of a planner employed by a consulting engineering, architectural, or planning firm. [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB704].

- AB 1083 (Eggman), Chapter 186, Statutes of 2015. This bill allows the Commission to contract with the City of Stockton to provide advice and enforcement of local campaign rules. [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1083].

office of a committee controlled by a candidate for this office.” And if the advertisement is mailed, this disclosure statement must be located a quarter of an inch from the recipient’s name and address, and be contained within a box that meets prescribed criteria for line width and include a contrasting color background to the rest of the mailer. This bill contains an urgency clause, which makes the bill effective immediately.

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB990]

Regulation 18450.4 sets out display requirements for disclaimers required on political advertisements under Sections 84503, 84504, 84506, or 84506.5. Based on the AB 990, subdivision (b) (3) (C) was amended to incorporate the new 14 point, bold, sans serif type font requirement.

AB 1544 (Cooley) Chapter 756, Statutes of 2015

This bill allows a payment made at the behest of a candidate who is an elected officer to be exempt from the behested payments reporting requirement if the payment is made by a state, local, or federal government agency and is principally for legislative or governmental purposes. The payment is now exempt from reporting requirements regardless of who receives the payment, meaning the government agency may make the payment to another government agency, a nonprofit or a private third party, and it does not have to be reported as a behested payment. This bill also contained an urgency clause and was effective immediately upon passage. [http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1544]

Since this amendment supersedes subdivision (c) of Regulation 18215.3, that subdivision has been deleted.

AB 594 (Gordon), Chapter 364, Statutes of 2015

- Eliminated the requirement to file supplemental preelection reports and supplemental independent expenditure reports.
- Clarified that the 90-day 24-hour reporting period includes the election date itself, in addition to the 90 days before the election, making those provisions consistent throughout the Act.
- Clarifies requirements for who has to file preelection statements and provides uniform timelines.
- Raises the recipient committee qualification threshold from \$1,000 to \$2,000 and makes conforming adjustments. This amount has not been changed since 1987.

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB594]

These legislative changes resulted in nonsubstantive conforming language changes to regulations 18247.5, 18402.5, 18404, 18422, 18425, 18427.1, 18531.5, and 18531.62 as follows:

- Regulation 18247.5: Amended at subdivision (c) to remove cross reference to a repealed statute.
- Regulation 18402.5: Repealed entire regulation since the requirement to file supplemental preelection reports and supplemental independent expenditure reports was eliminated.
- Regulation 18404: Amended at subdivision (a) to remove cross reference to a repealed statute and at subdivision (d)(2) to reflect the new statutory threshold for committee qualification.
- Regulation 18405: Deleted subdivision (a)(2) since the requirement to file supplemental preelection reports and supplemental independent expenditure reports was eliminated, and amended the reference to remove cross reference to a repealed statute.
- Regulation 18422: Amended at subdivision (a) to reflect the new statutory threshold for committee qualification.
- Regulation 18425: Amended at subdivision (c)(3) to remove cross reference to a repealed statute.
- Regulation 18427.1: Amended at subdivision (b) to change the phrase “90 days before the election” to “90 days prior to the election, or on the date of the election” consistent with the new statutory language.
- Regulation 18531.5: Amended at subdivision (c)(3) to reflect the new statutory threshold for committee qualification.
- Regulation 18531.62: Amended at subdivision (c)(1) to reflect the new statutory threshold for committee qualification.

FISCAL IMPACT STATEMENT:

Fiscal Impact on Local Government. These regulations will have no fiscal impact on any local entity or program.

Fiscal Impact on State Government. These regulations will have no fiscal impact on any state entity or program.

Fiscal Impact on Federal Funding of State Programs. These regulations will have no fiscal impact on the federal funding of any state program or entity.

AUTHORITY – Government Code section 83112 provides that the Fair Political Practices Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the Political Reform Act.

REFERENCE – The purpose of these regulatory amendments is to implement, interpret and make specific Government Code sections 82007, 82013, 82015, 82016, 82036, 82036.5, 82043, 82047.5, 83108, 83115, 83115.5, 83116, 84022, 84101, 84104, 84105, 84107, 84200, 84200.5, 84200.6, 84200.8, 84203, 84203.3, 84206, 84211, 84214, 84215, 84222, 84503, 84504, 84506, 84506.5, 84507, 85200, 85204, 85301, 85302, 85309, 85315, 85316 and 90000-90007.

CONTACT – Any inquiries should be made to Cesar Cuevas, Fair Political Practices Commission, 428 J Street, Suite 800, Sacramento, CA 95814; telephone (916) 322-5660 or 1-866-ASK-FPPC. Proposed regulatory language can be accessed at:
<http://www.fppc.ca.gov/index.html?id=351>.

ADDITIONAL COMMENTS – After the hearing, the Commission may adopt or repeal the proposed regulations if they remain substantially the same as described or as in the text originally made available to the public. The Commission may make changes to the proposed regulations before their adoption or repeal.